



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



JANUARY 2, 2001

The Year In Review:

Listed below, in no particular order, are ten issues which played a particularly important role this past year, affecting U.S. agriculture and/or transportation sectors.

1) Rail Moratorium: Prompted by Federal Government, industry, and customer concerns that additional railroad mergers would adversely affect the future structure of the industry, the Surface Transportation Board (STB) placed a 15-month moratorium on rail mergers in the United States. The decision essentially dismantled a proposed merger between the Burlington Northern Santa Fe and Canadian National Railroads. While the STB develops new merger rules, the moratorium will essentially block any future rail merger for 2½ years. (reported 1/11, 2/15, 3/14, 3/21, 5/23)

2) Mississippi-Illinois Rivers Improvement Projects: In addition to environmental concerns for several endangered species on the upper Mississippi River, the barge and agriculture industries have had to contend with investigations into, and delays surrounding, the Army Corps of Engineers' *Upper Mississippi and Illinois River Navigation Study*. The study was intended to determine the feasibility of improvements and new construction projects for the waterways' lock and dam system. A revised completion date for the study is September 30, 2001. (reported 5/23, 6/27, 9/12 & 10/10 (Missouri River), 10/10, 12/12)

3) Genetically Modified Grains/Crop Segregation: Grain segregation and worldwide acceptance were some of the challenges which accompanied the development of genetically modified (GM) agricultural products. Despite the obvious benefits, added costs from segregating grain during production, storage, and transportation; and, more importantly, the health concerns from domestic and international markets lessened the appeal of GM products. Further market disruptions were caused by the discovery of genetically modified StarLink corn in domestic food products and shipments to Japan, our largest customer. (reported 2/8, 2/15, 2/14)

4) Trade Legislation/Cuban Policy: Trade legislation expected to open and increase U.S. trade of food and medicine with formerly sanctioned nations was quickly criticized by Cuba, a potentially strong market in close proximity for U.S. agricultural products. Cuban officials remained steadfast in their refusal to buy U.S. goods, indignant over Congressional inclusion of travel and financing restrictions within in the legislation. (reported 5/16, 11/14)

5) Weather Problems: Traditionally, agriculture's most uncertain and influential production variable, weather was again an important factor in several areas of the United States. Drought affected agricultural producing regions in the West, Midwest, and South, substantially reducing crop yields in these areas. However, many felt fortunate to have avoided catastrophic fire damage, often caused by extremely dry conditions. Current data from the National Drought Mitigation Center (<http://enso.unl.edu/ndmc/>) indicate some areas are recovering, while others, such as Central Florida, still face extreme drought conditions. (reported 1/18, 5/23, 5/30, 8/22)

6) Emergency Farm Aid/ Policy Changes: With Federal emergency farm support of roughly \$25 billion during the last 3 years, lawmakers and agriculture officials are reevaluating the current farm bill, due to expire following the 2002 crop year. The current bill allows planting and marketing flexibility for producers but also increases financial risk. With the close Senate and House split, some agriculture officials feel that any profound changes are unlikely. (Reported 1/11, 1/18, 2/8, 2/22, 2/29, 3/21, 10/31, 12/5)

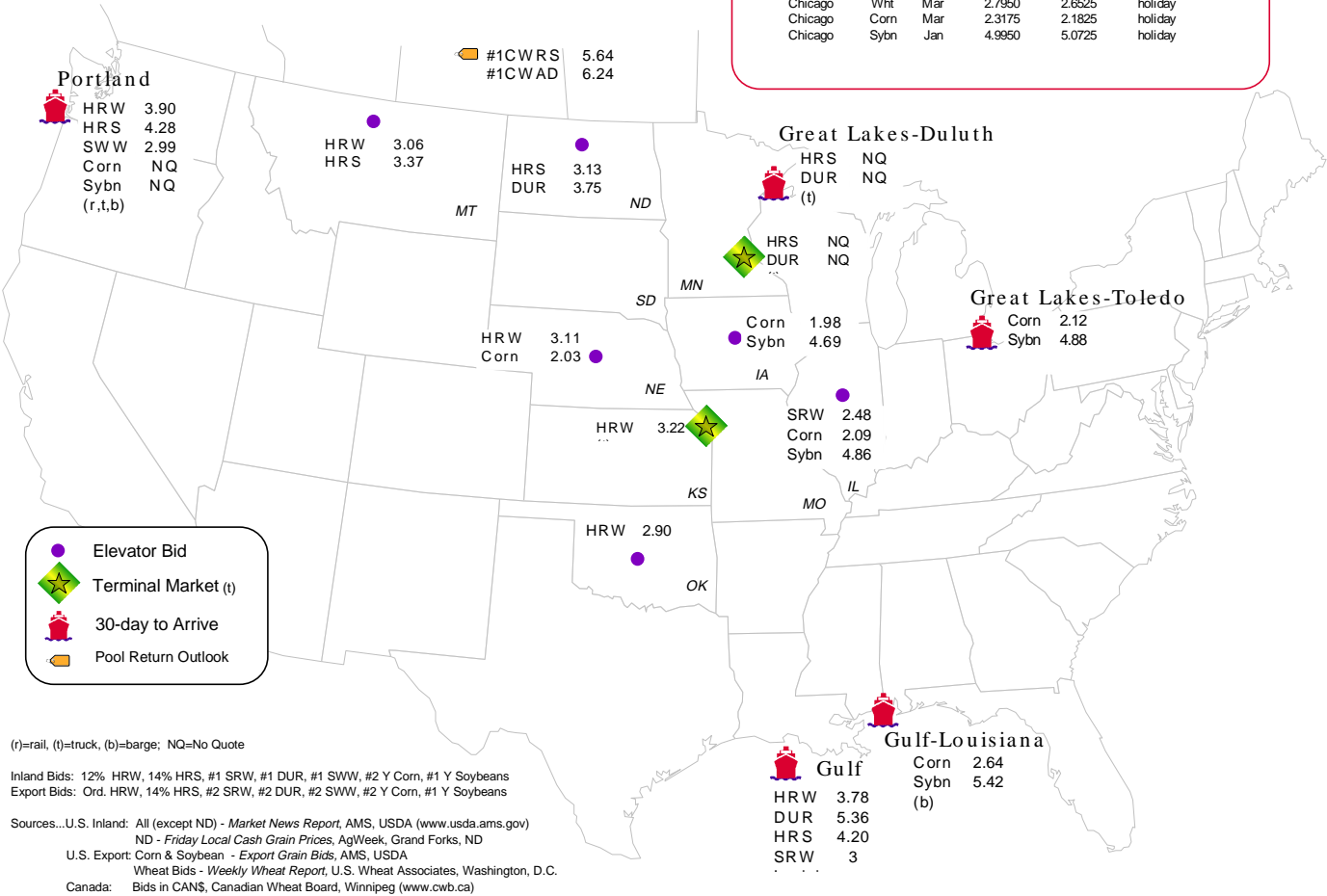
7) Snake River Controversy: Barge transportation on the Snake River became controversial as groups, including environmentalists, commercial fishing interests, and Native Americans, pursued the breaching of four dams along the waterway. Although the dams enable barge navigation and provide electric power to the region, they are largely blamed for a decrease in salmon migration. Alternatives to breaching remain under consideration. (reported 2/22, 4/25)

8) China Trade/PNTR: One of the most important Congressional issues was the decision to allow China permanent normal trade relations (PNTR), ensuring U.S. access to China's market, upon the admission of China into the World Trade Organization (WTO). The decision passed the House of Representatives in May by a vote of 237-197 and the Senate in September by a vote of 83-15. With China's admittance into the WTO, U.S. agriculture is hopeful that China's growing population will increase the market for export of U.S. agricultural products. (reported 2/15, 3/21, 5/9, 5/16, 9/26)

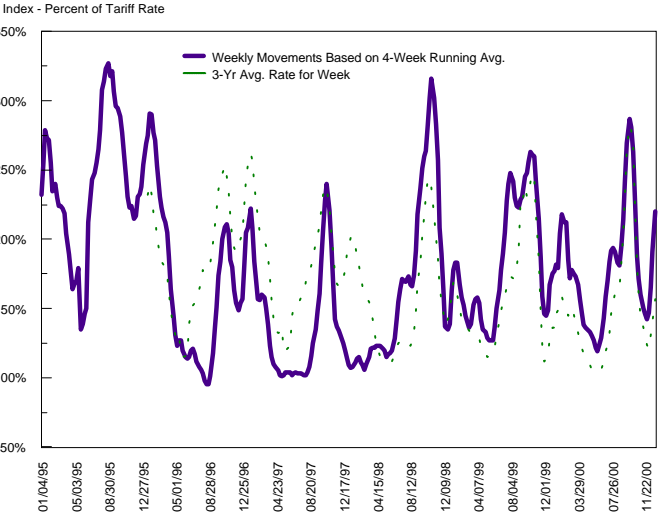
9) Agricultural Transportation Summit: USDA sponsored a second Agricultural Transportation Summit in November to address questions and issues raised during the July 1998 summit. While agricultural movements have not been paralyzed to the extent that they were during 1998, important issues adversely affecting U.S. agriculture and transportation, particularly waterborne commerce, remain. (reported 12/5, 12/12)

10) Grain Storage: Even with improvements in transportation service and an increase in exports, grain storage remained a problem for several regions of the country. Ideal growing conditions produced a bumper harvest in several areas, while the necessity of segregating and preserving the identity of grain shipments further complicated storage availability. (reported 10/17, 11/14)

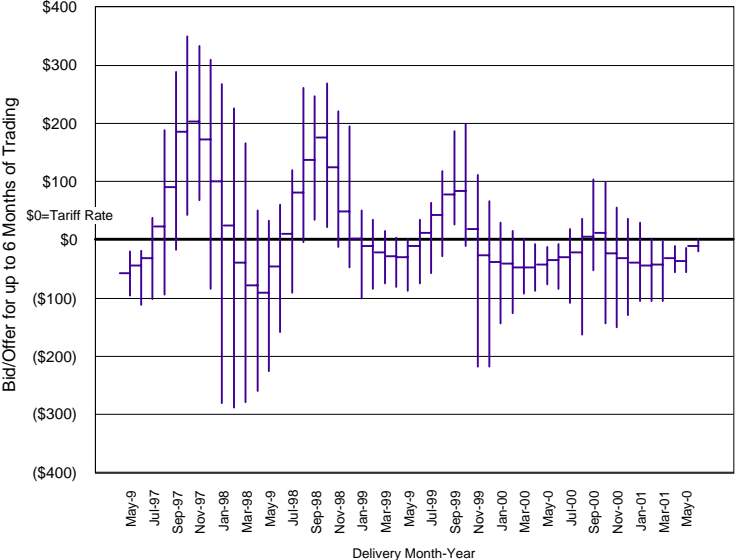
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	Jan-01		Mar-01	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,141	28%	12,141	1%
UP-GCAS	5,400	0%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jan-01	Feb-01	Mar-01	Apr-01
BNSF-GF	\$82	\$17	\$16	\$(10)
UP-Pool	\$85	\$22	\$5	\$(26)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.; GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Feb-01	Mar-01	Apr-01
COT/N. Grain	\$1	\$0	no bid
COT/S. Grain	\$0	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

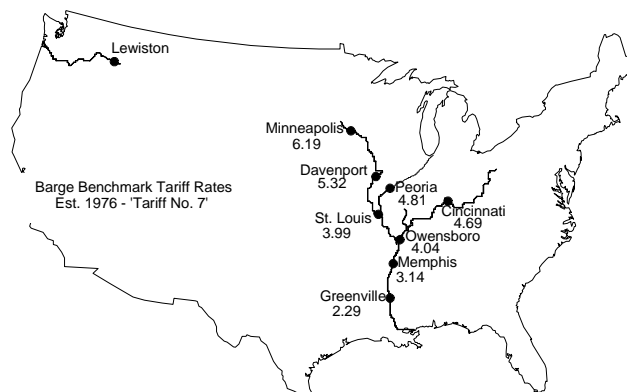
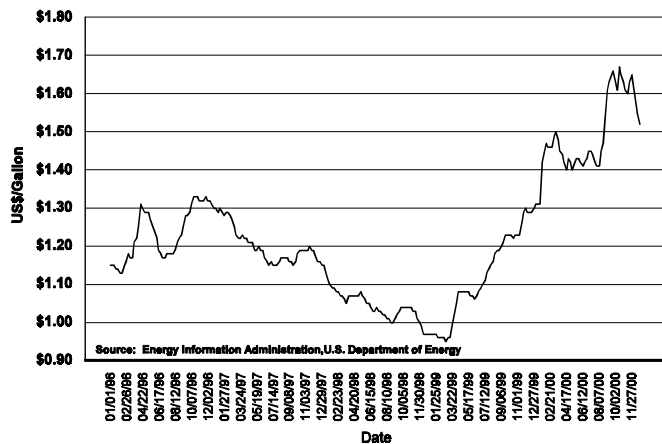
Week ended	River/Region	Contract Period	Rate	
			Bid	Offer
12/5/00	St. Louis	twk	125	135
		nwk.	130	135
		2 nd half Dec.	130	140
		Jan.-Mar.	130	140
	Illinois River	twk	160	170
		nwk.	170	175
		12/17	170	180
	Lower Ohio	twk	135	145
		12/17	140	145
		Jan.	150	155
		Mar.	140	145

Southbound Barge Freight Spot Rates

	12/27/00	12/21/00	Jan. '00	Mar. '00
Twin Cities	0	0	0	0
Mid-Mississippi	0	0	0	190
Illinois River	260	241	234	183
St. Louis	186	153	159	146
Lower Ohio	138	140	146	145
Cairo-Memphis	120	123	125	128

Source: Transportation & Marketing /AMS/USDA
nq=no quote;

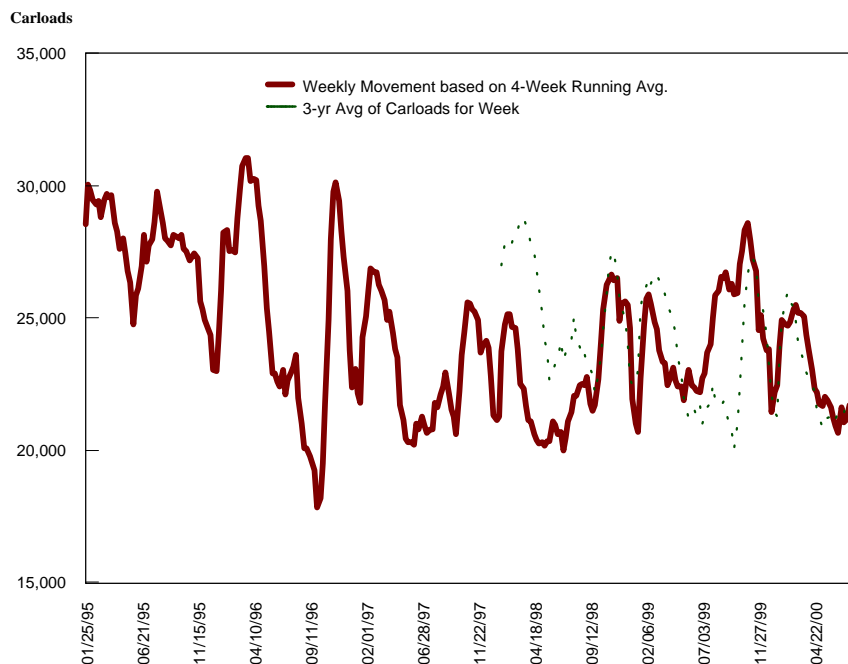
Summary Of Daily Barge Trades Will Be Revised (Later) In January 2001.

Weekly Retail Diesel (Road) Prices (Including Taxes)

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
12/9/00	22,550
12/16/00	19,516
12/23/00	19,245
Year to Date - 2000	1,174,008
Year to Date - 1999	1,251,747
Total 1999	1,269,741
Total 1998	1,186,117

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

			East			West		Canada	
	Conrail	CSXT	IC	NS		BNSF	KCS	UP	CN CP
12/23/00	0	2,529	0	2,609	8,150	329	5,628	3,782	4,469
This Week Last Year	0	2,209	1,612	2,309	7,079	700	5,294	1,865	3,070
2000 YTD	0	145,693	70,155	151,606	419,936	26,224	360,394	157,827	237,179
1999 YTD	15,522	129,805	86,789	136,004	459,039	33,233	392,355	120,358	204,981
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

December 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/04/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
12/04/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
12/04/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
12/04/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
12/04/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
12/04/00	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
12/04/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
12/04/00	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
12/04/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,680	\$29.54	\$0.80
12/04/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,430	\$26.79	\$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

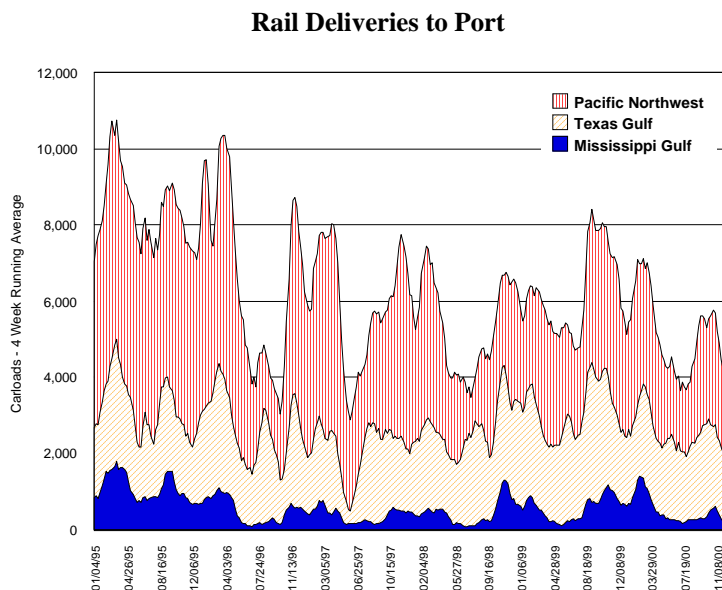
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port**Carloads**

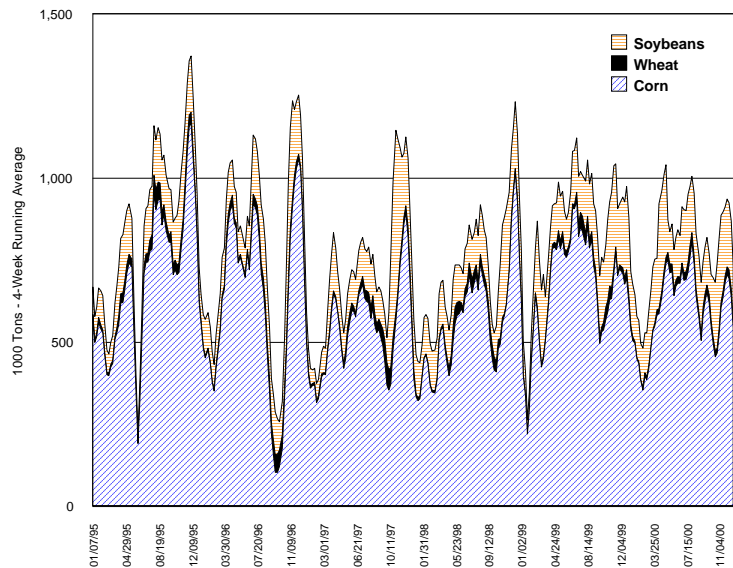
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
11/22/00	230*	1,794	2,265**	358
11/29/00	309*	1,827	1,658**	367
12/06/00	397*	1,546**	1,707	201
12/13/00	411*	1,793**	1,591	345
12/20/00	212*	1,260**	2,016**	129
12/27/00	14*	1,339	1,350	131
YTD 2000	25,675*	105,308	129,464	14,816
YTD 1999	30,038	132,069	161,492	14,446
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA



(*) Incomplete Data

(**) Revised Data

Barge Movements - Locks 27**Barge Grain Movements**

for week ending 12/23/00

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	12	0	8	20
Alton, IL (L26)	188	2	34	228
Granite City, IL (L27)	269	9	43	323
Illinois River (L8)	271	51	5	327
Ohio (L52)	92	33	51	223
Arkansas (L1)	0	8	15	23
2000 YTD	33,198	2,465	10,251	47,774
1999 YTD	36,212	2,866	9,561	51,142
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers; n/a=not available

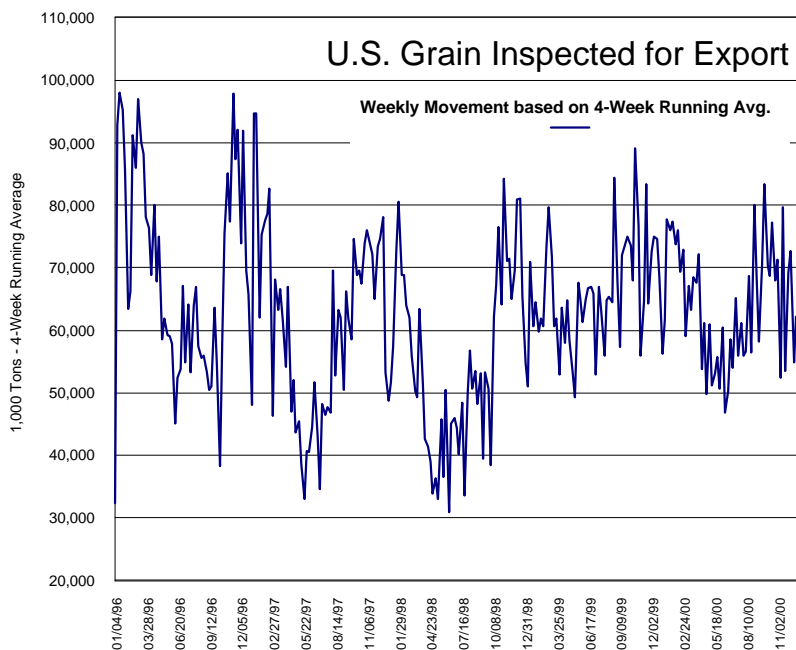
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
12/21/00	1,057	385	874	742	209	3,266	6,547	6,640	16,453
This Week Year Ago	1,020	710	905	772	208	3,615	8,220	4,465	16,300
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	5,648	2,653	3,251	2,868	706	15,126	14,820	10,348	40,294
98/99 YTD	7,144	2,410	3,269	2,247	561	15,630	16,191	17,713	49,534
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
12/28/00	288	0	0	175	345	485	107	0	13
2000 YTD	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008
1999 YTD *	9,853	8,953	1,116	7,037	35,498	15,256	8,645	557	1,479
% of Last Year	92%	134%	253%	135%	112%	121%	96%	84%	72%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

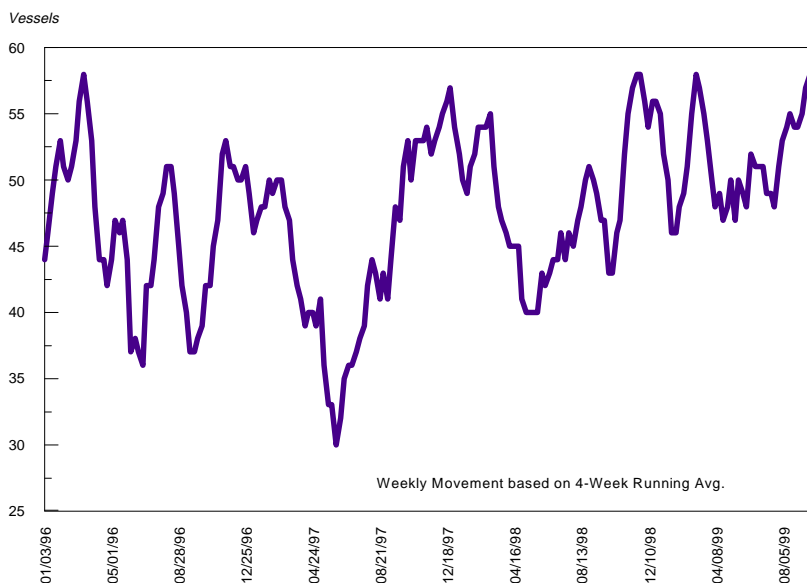
**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 12/21/00			
Vancouver	2,663	180	461
Prince Rupert	305		0
Prairie Direct	471	164	112
Thunder Bay	492	171	36
St. Lawrence	1,343	951	0
2000 YTD Exports	5,274	1,466	634
1999 YTD Exports	5,224	1,461	539
% of Last Year	101%	100%	118%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

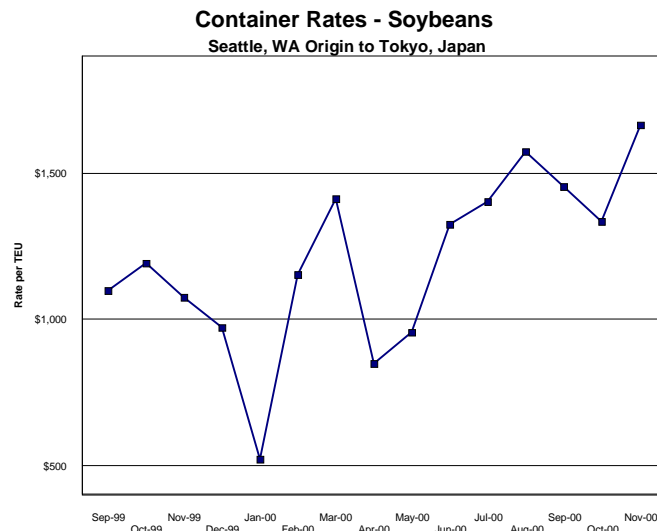
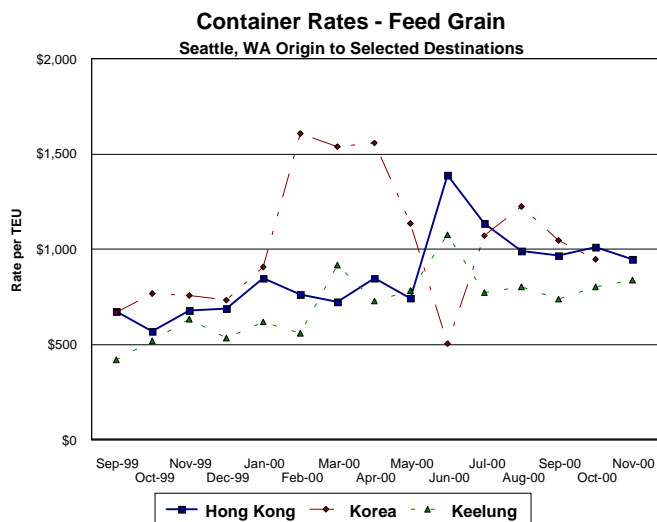
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
12/21/00	42	48	64	9			14	17	5
12/28/00	34	34	61	8			n/a	n/a	n/a
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

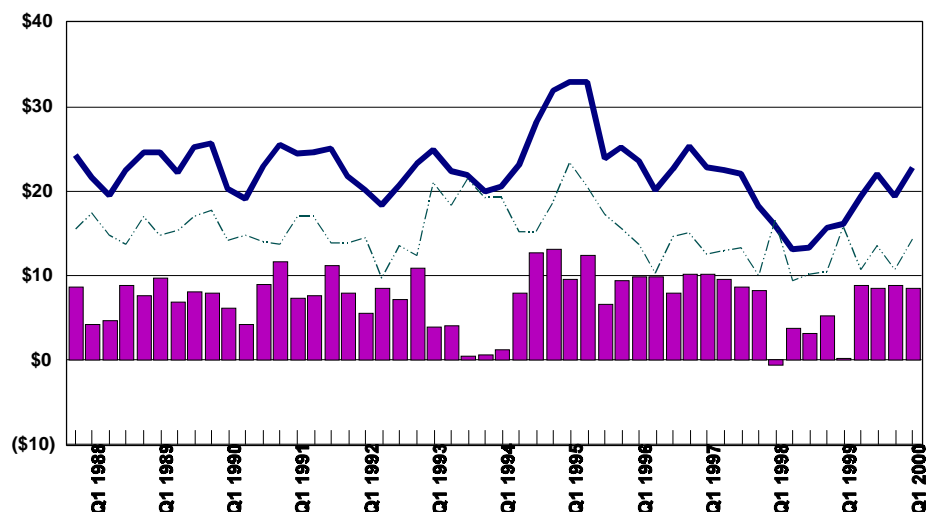
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

— Rate - Gulf to Japan
 - - - Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean
Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 3 rd Qtr	1999 3 rd Qtr	% Change		2000 3 rd Qtr	1999 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$24.76	\$19.46	27%	Japan	\$15.43	\$10.71	44%
Mexico	\$16.11	\$14.97	8%	Red Sea/ Arabian Sea	\$29.03		
Venezuela	\$15.13	\$12.64	20%				
N. Europe	\$18.07	\$13.31	36%	Argentina to			
N. Africa	\$34.19	\$18.20	88%	N. Europe	\$18.62	\$13.94	34%
				Japan	\$36.42	\$23.00	58%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 12/30/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Colombia	Corn/Meals	Dec.23/29	23,000/25,000	\$10.00
Gulf	Costa Rica	Grains	Jan.1/5	25,000	\$17.25
Gulf	Japan	Heavy Grain	Jan.10/19	54,000	\$22.50
Brake (Germany)	Saudi Arabia	Barley	Prompt	55,000	\$14.50

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option